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Appropriations Committee
February 16 2017

Comments from the American Cancer Society Cancer Action Network on H.B. No. 7027 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2019, AND MAKING APPROPRIATIONS THEREFOR.

Re: Human Services - Department of Social Services - Medicaid

The American Cancer Society Cancer Action Network (ACS CAN) is pleased to provide comments on H.B. No. 7027 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH 2019, AND MAKING APPROPRIATIONS THEREFOR. ACS CAN is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society that supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

During these challenging economic conditions it is understandable that difficult choices have to be made. These are decisions that need to be made with careful and deliberate consideration, and we recognize and appreciate the efforts of the legislature in achieving that end. As careful as these decisions need to be, there also needs to be deliberation regarding the long-term effects that specific actions may have. In 2017 it is estimated that approximately 21,900 Connecticut residents will be diagnosed with cancer while 6,610 will die from the disease[i].

<u>Maintaining Medicaid Coverage of Tobacco Cessation Services</u>

ACS CAN is committed to ensuring that everyone has access to quality, affordable health care and Medicaid plays a key role in providing the access to care necessary to fight cancer.

We applaud the Governor for proposing to continue to fund, at existing levels, tobacco cessation services through Medicaid. With this proposal, Medicaid enrollees will continue to have access to comprehensive cessation services including prescription drugs, nicotine replacement therapy and counseling.

In fact, Connecticut began providing funding for tobacco use cessation services through Medicaid in 2011 and is currently one of only nine states that provides coverage of all seven FDA approved smoking cessation medications as well as individual and group

counseling.

The need is clear: Connecticut Medicaid beneficiaries smoke at almost a 50% higher rate than the population as a whole and tobacco use costs Medicaid $520.8 million per year in Connecticut--costs borne primarily by Connecticut taxpayers[ii]. Nationally, tobacco use accounted for almost 15% (39 billion) of all Medicaid expenditures between 2006-2010.

Overall, 13.5% of adults in Connecticut and 10.3% of high school smoke. While pack-a-day smokers spend on average $3343 per year on cigarettes, Connecticut incurs $2.03 billion in annual health care costs and another $1 billion in lost productivity directly caused by tobacco.

Tragically, 4,900 adults will die in Connecticut from smoking this year while 1500 kids will become smokers.[iii]. Statistically speaking, therefore, two or three people in Connecticut will have died from causes related to tobacco use during the course of this hearing today. Sadly, someone in Connecticut will have tried tobacco for the first time during course of this hearing as well.

Research has long indicated that one of the most effective and sweeping methods of significantly reducing smoking among adults and youth is through providing cessation services.

The Governor's proposal to continue funding of Medicaid coverage of cessation services allows the state to continue to take advantage of federal matching funds, reach a higher concentration of lower income smokers and ease the impact tobacco related illnesses have on the cost of the program.

Reducing Medicaid Expansion from 155% FPL to 138% FPL

We are concerned that through proposed changes to Medicaid enrollment eligibility through the Governor's 2018-2019 biennium budget, low income adult parents that earn between 138% -155% FPL will be removed from Medicaid and made reliant on obtaining health care plans through the exchange. As seen during the implementation of prior reductions, the subsidies will not completely cover all costs and coverage will again be unaffordable for the 9500 current enrollees affected by this proposal. In fact, only 16% of those affected by the prior reduction found coverage through the exchange.

Additionally, current Medicaid enrollees do not have significant out of pocket expenses, which they would be exposed to through the exchange.

Increasing the out-of-pocket costs could have negative implications and unintended consequences on health outcomes. One of the biggest single issues for cancer patients is related to *cost-sharing*, because they have trouble meeting deductibles, paying their co-insurance for prescription drugs and treatment, and covering costs for physician visits and non-network specialty care.

Out-of-pocket costs for cancer patients vary substantially due to variations in both the cost of cancer treatments and drugs, and the adequacy of insurance plans. Given that 50% of health care costs are from 5% of the population - these are the individuals that need care the most. Raising the out-of-pocket costs will place undue economic burden on the people that need care the most. A cancer diagnosis can quickly translate to bankruptcy for families and in the worst-case scenarios, the inability to access potentially lifesaving treatments and medications.

This proposal will result in out of pocket costs passed on to patients, affecting their ability to get the care the need. This proposal could put people with serious health care needs at risk—at risk of not being able to get the care they need when they need it because they cannot afford the care, and at risk of incurring higher medical costs when they do get care.

Medicaid helps make it possible for cancer patients to see a doctor when they need to, fill prescriptions, keep up with screenings, and get the care they need if their illness recurs. Medicaid enrollees are more likely than the uninsured to have a usual place of care and to receive recommended preventive screenings. On the other hand, lack of adequate insurance can mean treatment is delayed and costs are increased because later stage cancers are associated with more complex and expensive treatments. The uninsured are more likely to be diagnosed with a late stage cancer and less likely to survive the disease.

Medicare Part D drug co-pay protection for Dual Eligible Medicare/Medicaid) enrollees.

ACS CAN also has concerns about the potential impact the Governor's proposal to eliminate an existing cap that protects 155,000 low-income dually eligible Medicare/Medicaid individuals who must get their prescription drugs under the Medicare Part D benefit from high drug co-pays.

Medicare beneficiaries - including many cancer patients and survivors - have access to an outpatient prescription drug benefit that provides them with prescription drugs needed to treat their disease or condition. This benefit – and keeping it affordable – are crucial to any health care system that works for cancer patients and survivors.

The chances of receiving a cancer diagnosis increases with age, thus adequate coverage in Medicare is critical for individuals with cancer and cancer survivors. Many cancer patients and survivors take outpatient drugs, including oral chemotherapy, supportive medications for pain or anti-nausea and hormone therapy. Research has shown that individuals who experience high out-of-pocket costs are less likely to take their recommended medications – often skipping pills or not filling prescriptions[iv]. Thus, reducing a beneficiary's out-of-pocket costs will help to ensure the beneficiary is properly taking her medication. This is particularly important in cancer care because if cancer treatment is disrupted the effectiveness of the treatment could be jeopardized and the individual's chance of survival could be significantly reduced.

Connecticut faces a very real and very serious budget deficit. This fiscal reality will need to be addressed through potentially painful and necessary solutions and all options need to be on the table, including difficult ones. As we continue to feel the impact of this economic downturn, however, it is important that we look for creative ways to utilize our resources that will allow us to protect access to the full range of health care for patients.

Thank you for your consideration of our comments.

Bryte Johnson
Connecticut Government Relations Director
American Cancer Society cancer Action Network

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[i] https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2017/cancer-facts-and-figures-2017.pdf

[ii] Campaign for Tobacco Free Kids – The Toll of Tobacco in Connecticut, 2015. https://www.tobaccofreekids.org/facts_issues/toll_us/connecticut

[iii] CDC, *Best Practices for Comprehensive Tobacco Control Programs—2014,* http://www.cdc.gov/tobacco/stateandcommunity/best_practices/.

[iv] Lee, M. & Khan, M.M. Gender differences in cost-related medication non-adherence among cancer patients. J Cancer Surviv (2016) 10: 384. doi:10.1007/s11764-015-0484-5.